

CITY OF HORSESHOE BAY
CITY COUNCIL MEETING
MINUTES

August 25, 2015

The City Council of the City of Horseshoe Bay held a Public Meeting at City Hall August 25, 2015, beginning at 3:00 p.m. in accordance with duly posted notice of said meeting with the following members present:

Stephen T. Jordan, Mayor
Craig Haydon, Mayor Pro Tem
Jerry Gray, Councilmember
Phillip Lee, Councilmember
David Pope, Councilmember
Michele Shackelford, Councilmember

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered, with the agenda item number and subject shown preceding the applicable paragraph.

1. Call the Meeting to Order and Establish a Quorum: Mayor Jordan called the meeting to order at 3:00 p.m. with a quorum present. He welcomed everyone to the meeting and asked that anyone who would like to make comments please sign the sheet on the podium and go to one of the podium microphones when it is their turn to speak.
2. Invocation: Johnny White, Senior Pastor at The Church at Horseshoe Bay gave the invocation.
3. Pledges to the Flags: Mayor Jordan led the pledges of allegiance to the United States flag and the Texas flag.
4. Public Comments: Alison Nolen, resident on Quick Draw Street, spoke on behalf of homeowners on Quick Draw asking the Council to consider an exception to the Council's formula requirement of 15 houses per mile, set at the beginning of the project, to allow improvement of the entire length of Quick Draw. Wini Schnars spoke requesting the Council consider an exception for 1801 Mountain Dew, stating that improvement is stopping about 200 yards from a brand new house. Project Manager Tim Foran said the distance was about 360 feet.
5. Introduction of New Fire Chief Joe Morris: City Manager Stan Farmer introduced Joe Morris as the new Fire Chief for the City. Chief Morris said he is proud to be the new Fire Chief and thanked the Council for giving him the opportunity. He said he intends to repay the trust by protecting and enhancing the HSB Fire Department. Chief Morris said every citizen he has encountered the past few weeks highly praised the City's Fire Department and that is a direct representation of the leadership of the City, Council and Mayor. He pledged

to uphold the standards of the Fire Department by being courteous and professional, providing effective and efficient service by expanding their community involvement, keeping the citizens and firefighters safe and to always seek continuous improvement for himself and for his department. Chief Morris reported he worked 29-1/2 years for the City of Arlington Fire Department, serving as Battalion Chief, Shift Commander and Deputy Chief during the last six years. He said he also worked with Weatherford College with the primary focus of visiting smaller communities and assessing their fire departments to determine their needs. Chief Morris would then write a curriculum to implement a program to assess those needs to be applied to those communities. He said he was excited to apply that to the HSB Fire Department and looked forward to a long and prosperous career serving the City.

6. Presentation by Bill Prather of Two Rescue Oxygen Masks for Pets to City of Horseshoe Bay Fire Department: Mr. Prather reported his wife and he had heard of various Fire Departments getting pet oxygen masks and Bastrop had recently had a Go Fund Me fundraiser which provided funds to buy theirs as well as for other departments. He spoke to Chief Black to determine if the City of Horseshoe Bay had these and it did not. Mr. Prather said with Chief Black's assistance they located masks that would fit the City's equipment. He then presented the Fire Department with a set of masks for each fire truck and a spare.
7. Discuss, Consider and Take Action Regarding Presentation by Information and Communication Advisory Committee Progress on Design and Publication of Brochure: City Manager Stan Farmer reported the Council approved printing 5000 copies of an eight fold brochure and today the Committee is asking the Council to approve the final design. Committee member Phillip Schoch reported they plan to place these brochures with all the realtors and at the Resort hotel. Mr. Schoch said he would work with City Manager Stan Farmer to determine if other means of distribution was needed but they would like it placed on the website. Mayor Pro Tem Haydon made the motion to approve the final design of the brochure as presented today, seconded by Councilmember Pope. Motion passed unanimously (5-0).
8. Discuss Burnet County BOPATE Collection Event: Community Services Director Jeff Koska reported that Burnet County will sponsor this event on September 12, 2015 at the Burnet County Fair Grounds from 9:00 am until 1:00 pm. This is a recycling event to collect batteries, oil, paint, antifreeze, tires and electronics. Mr. Koska said the City had supported this event for several years and while it is sponsored by Burnet County entities, all residents of Horseshoe Bay can take items for disposal.
9. Conduct First Public Hearing Regarding Proposed 2015 Ad Valorem Tax Rate: Mayor Jordan convened a public hearing at 3:22 pm and asked if there were any comments. There were none and he adjourned the public hearing. Finance Director Larry Anderson explained when the proposed tax rate exceeds the effective tax rate; State law requires the governing body to hold two public hearings before adopting the tax rate. The City's proposed 2015 tax rate of \$.25/\$100 of valuation slightly exceeds the effective tax rate of \$.24402. Since it does exceed that amount the City is required to hold two public hearings. Mayor Jordan said the tax rate has been \$.25 since 2010 and the City has held the tax rate even going through a

\$27M Street Improvement Plan project. He said they had anticipated having up to a 4% tax increase to cover this; however, the City was able to cover this without any increase in taxes.

10. Discuss, Schedule and Announce Meeting on September 1, 2015 at 9:00 a.m. to Conduct Second Public Hearing Regarding Proposed Ad Valorem Tax Rate: Finance Director Larry Anderson reported this item is necessary to meet a requirement to announce the date of the second public hearing. He stated the second public hearing on the tax rate will be held September 1, 2015 at 9:00 am in the Council Chambers. Mr. Anderson added all public hearing notices would be placed in The Highlander and The Beacon as required. He explained that the Council is scheduled to adopt the tax rate at the September 15, 2015 Council meeting at 3:00. There will also be a budget hearing at that meeting with action to adopt the budget.
11. Discuss, Schedule and Announce Meeting on September 15, 2015 to Conduct Public Hearing Regarding FY 2015-2016 Budget and to Adopt 2015 Ad Valorem Tax Rate: Finance Director Larry Anderson reported this item is to announce the date the meeting will be held to hold the required public hearing on the FY2015/2016 Budget and to Adopt the 2015 Tax Rate. The meeting will be held on September 15, 2015 at 3:00 in the Council Chambers.
12. Items to be removed from the Consent Agenda: Councilmember Shackelford requested Item 13d be removed from the Consent Agenda.
13. Consent Agenda Items:
 - a. Minutes of the July 13, 2015 Budget Workshop and the July 14, 2015 Regular Meeting
 - b. Ordinance to Amend ORD 15-07-14A Ordering November 3, 2015 General Election
 - c. Contracts for Election Services and Joint Election Agreements with Llano County and Burnet County for the November 3, 2015 General Election
 - d. Certification of Unopposed Candidates and Ordinance Declaring Unopposed Candidates Elected to Office and Canceling the November 3, 2015 General Election (Subject to August 24, 2015 filing deadline)
 - e. Engagement Letter with Neffendorf, Knopp, Doss and Company, P.C. to Conduct the FY2015 Audit

Councilmember Shackelford made the motion to approve agenda items 13a, b, c and e, seconded by Mayor Pro Tem Haydon. Motion passed unanimously.

City Secretary Teresa Moore reported Item 13d was to certify the unopposed candidates and approve the ordinance to declare them unopposed and to cancel the election; however, there are now three candidates for the two open places on the Council and no action was be taken on this item.

14. Monthly Statistical Departmental Data Reports:
 - a. City Manager; Administration; Community Services; Development Services; Fire Dept.; and Police Dept.

City Manager Stan Farmer reported at this time last year there were 37 building permits issued and this year there have been 45.

Mr. Farmer reported work has started on the Deer Management Program for this year with residents already working on surveys counting the deer and the City was working on obtaining the required permit for trapping. He said is scheduled to begin October 1 and finish up prior to Thanksgiving. The maximum the City would be able to trap is 600. Mayor Jordan said the deer count was still increasing and it costs the City \$150 to trap and process each deer.

Mr. Farmer reported the applicator reapplied the spot treatment of chemical to the milfoil on August 4 and will return for one final spot treatment soon.

Regarding the Horseshoe Trail Park progress, Mr. Farmer reported he was now waiting on results from the Texas Historical Commission regarding the archeological study.

Finance Director Larry Anderson reported the Llano County Appraisal District refunded unused funds to the City from their FY 2013-2014 budget of approximately \$8,000. In addition, the City received approximately \$32,000 from funds that entities had paid into the LCAD's litigation reserve fund over several years. Mr. Anderson added the new Chief Appraiser had settled most of the pending litigation and in their opinion they no longer needed the reserve fund.

Development Services Manager Eric Winter reported that on August 12, the Municipal Court Judge issued an order for repair on the Texan Mart for 90 days to allow time to complete necessary repairs. He said Texan Mart ownership had prepared plans for required work which was primarily roof work and the supporting trusses. Mr. Winter said they are very close to submitting their plans to the Architectural Control Committee for approval and then they will come to the City for a building permit. Next, he reported the Council had previously referred the mobile home at 2209 22nd Street to Municipal Court for action. An order for demolition and removal was also done on August 12 and City staff was currently in the process of filing all of the necessary paperwork to properly notice this action and would be scheduling the demolition and removal very shortly. Mr. Winter confirmed the City places a lien on the land when this is done.

15. Update Regarding Street Improvement Plan: City Manager Stan Farmer reported this was the first update on The Highlands project area which is the last section of the 53 mile total project area. This area is 7.7 miles, the contract amount was \$3.355M and there had been no change orders.
16. Discuss, Consider and Take Action Regarding Request by Bobby and Norma Green for the City to Assume Ownership of Tori Lane: City Manager Stan Farmer reported the Greens are offering to give the City approximately 1.13 acres which is about 50 feet wide and ¼ mile long and runs perpendicular to RR 2147. This road links the back gate of Pecan Creek subdivision to RR 2147. Mr. Farmer said this road was currently an unpaved surface and also served as an access point for the Escondido Maintenance Barn, the PEC substation and

some undeveloped lots. He said ownership of this road would allow the City to better maintain it for emergency vehicle access to Pecan Creek, especially during flooding. Mr. Farmer added that some developers would possibly be interested in developing the first two vacant lots on the east side of Tori Lane if this were a public road. Councilmember Pope made the motion to accept this property, seconded by Mayor Pro Tem Haydon. Councilmember Gray confirmed there was no financial impact to accepting this property. Mayor Jordan reported he had been approached by residents of Pecan Creek requesting this action. Councilmember Gray confirmed there were no funds in the FY 2016 budget allocated for improving this road. Motion passed unanimously (5-0).

17. Discuss, Consider and Take Action Regarding Request from Dean Blaine for Variance from City Building Code Section 3.03.010(c) to Allow More Than Two Speculative Homes: Dean Blaine reported he and his partners have put together a building company and they had been building since 2004 in Horseshoe Bay. Mr. Blaine said they had constructed most of Escondido including streets, utilities, club house, comfort stations along with a large number of homes. Mr. Blaine said they were currently building in Deerhaven and through a separate company would like to begin building in Horseshoe Bay proper. He said his two partners in this venture who were both seasoned construction professionals, one of which was a co-founder of DL Horton, Terry Horton. Mr. Blaine said their plan was to build in the \$300,000 price point because they believed there was an opportunity there. He said they have done some market research and that seems to be a sweet spot in this market. Mr. Blaine stated in order to build the product efficiently they cannot do 1-2 homes at a time to get them where they need to be on cost. He said they would like to request the ability to start up to 10 homes. Mr. Blaine said their company had acquired about 65 of lots, in HSB West and Proper. Mayor Jordan said the City had done this in the past but only up to 5. Mayor Pro Tem Haydon asked if 5 would allow them the economies to scale they are looking for. Mr. Blaine said in order to build these efficiently the magic number per his partner is ten at a time; however, they would not test the market with ten but hoped to ultimately build ten at a time. He said one option would be to approve them for 5 and let them come back with another request later on. Councilmember Gray asked if these lots were scattered and if any were side by side. Mr. Blaine said the most they have side by side were two, and the lots are about 2/3's in West and 1/3 in Proper. Councilmember Shackelford commented on the nice package Mr. Blaine is presenting and what would be his timeline to return to the Council to request additional starts. Mayor Pro Tem Haydon made a motion to allow a variance of up to five speculative homes at one time and if it is working well he can come back to the Council to request more, seconded by Councilmember Pope. Motion passed unanimously (5-0).
18. Discuss, Consider and Take Action Regarding Progress Report by Builder on Construction at 312 and 316 Nattie Woods and Issuing Building Re-permits: Mayor Jordan reported Doug Jaffe III was not present; however, he had checked and there were a lot of workers working on the exterior. Development Services Manager Eric Winter reported the 90-day re-permit for both houses would expire on September 2. Ron Mitchell requested that Council allow a re-permit for 60-days. Councilmember Pope made the motion to issue a re-permit for 60-days from the expiration date with a fee of \$500 per house, seconded by Councilmember Lee. Motion passed unanimously (5-0).

19. Conduct a Public Hearing, Discuss, Consider and Take Action Regarding an Amendment to Chapter 14 Zoning of the City Code and the Zoning Map for Zone 12 Summit Rock Adding New Exhibit J Tuscan Village Planned Development (South of the end of Mayapple): Development Services Manager Eric Winter reported the planned development process is being utilized by this project due to several unique characteristics. The project will require that one of the owners of the unit be 55 years of age or older, the project is a mix of three and four unit townhouses, wide and narrow single-family villa units and would have 3 phases. He added the Planned Development ordinance allows a maximum of 299 residential units on 68 acres for a gross density of 4.3 units per acres. Mr. Winter said the PD Concept Plan showed a total 291 units which did not include the eight single-family units on Spice Lily. He said in summary the project's 3 phases as shown on the concept plan included Phase One 59 villas, 28 townhouses and 8 buildings, the clubhouse and swimming pool. Phase Two 70 villas, 31 townhouses and 9 buildings. Phase Three 48 villas, 49 townhouses and 13 buildings. Mr. Winter said there was also additional information on other specific elements of the project. The property is currently zoned R-1 Cottage Single-Family Residential and A-1 Recreational and the requested zoning is to MUR PD or Mixed Use Residential Planned Development. Surrounding zoning includes north R-1 Estate Single Family-Residential and A-1 Recreational, south R-1 Cottage Single Family-Residential, A-1 Recreational and R-1 Family Homestead, east A-1 Recreational, R-1 Estate Single Family Residential, R-1 Cottage Single-Family Residential and R-1 Cabin Single-Family Residential and west R-1 Cottage Single-Family Residential, A-1 Recreational and DR Development Reserve. Mr. Winter said the proposed MUR PD zoning was appropriate at this location because it was located in an area almost surrounded by R-1 Cottage Single-Family Residential zoning along with the mix of A-1 Recreational and four other zoning categories. The MUR PD zoning would only include the stated uses in the PD Ordinance as submitted. Mr. Winter said staff from affected City Departments had a pre-design meeting with the Developers representatives and there were 11 other items as listed in the Council packet that were decided upon as well as future design considerations, all of which have been incorporated into the Planned Development Ordinance. He introduced Haythem Dawlett, President of Legend Communities and Bill Hayes with the same company.

Mayor Jordan convened a public hearing at 4:00 pm and asked if anyone wanted to speak.

The developer provided a video of a similar development in Lakeway for the Council to view and along with additional information regarding the design, provided an informative report on the proposed development. Mr. Dawlett said the streets and infrastructure would have to first be in place with the first home construction probably beginning the third quarter of 2016.

Lee Keller spoke against the legal process followed by the City and Summit Rock Tuscan Village to go before the Planning and Zoning Commission and the City Council. He asked that the City do a better job of engaging the citizens in this process.

Ron Mitchell spoke regarding meetings held by Summit Rock ownership and the developer for the current property owners in Summit Rock regarding this Planned Development Ordinance for Tuscan Village.

Mayor Jordan reiterated that public notices were done and all State and City requirements were met; however, in the future the City will require more detailed explanations in future public notices for Planned Development Ordinances. He also encouraged citizens to go to the City website and sign-up for the various Notify Me options they are interested in. Mayor Jordan said the City is doing its best to be as transparent as possible, but without a local newspaper to spread the news it is difficult. He said the key to the City having the opportunity for this project was the recent opening of the Scott and White Hospital.

After much discussion, the public hearing was adjourned at 5:02 p.m. Mayor Pro Tem Haydon made the motion to approve the Planned Development Ordinance and Concept Plan as presented, seconded by Councilmember Pope. Motion passed unanimously (5-0).

20. Discuss, Consider and Take Action Regarding the Vacating Plat of Lots 1 thru 3, Lots 13 thru 30, Mayapple Right of Way Lying Adjacent to Lot 1 thru 3, Lots 13 thru 23 and Lot 30, Spice Lily Right of Way Lying Adjacent to Lots 23 thru 30 and Waterway Buffer Zone Easement No. 1 Lying Adjacent to Lots 22 thru 25 on Skywater Over Horseshoe Bay Plat No. 4.1, now Summit Rock (Mayapple from Paintbrush to just past Spice Lily): Development Services Manager Eric Winter reported this is also a part of the Summit Rock Tuscan Village Project, allowing the lots to be vacated in order to be a part of a new plat. Mayapple Street needs to be realigned to fit into the plan and to shorten the length of the lots on the north side of Mayapple because they do not need to be as long as they are. Councilmember Shackelford made the motion to approve this item as presented, seconded by Councilmember Gray. Motion passed unanimously (5-0).
21. Conduct a Public Hearing, Discuss, Consider and Take Action Regarding an Amendment to Chapter 14 Zoning of the City Code and the Zoning Map for Zone 12 Summit Rock Rezoning 2.74 Acres Known as Common Area 1 of Amending Plat of Summit Rock Pod 14.1 and an Additional 1.33 Acres of Adjacent Property from A-1 Recreational to R-1 Cottage Single Family Residential (Nattie Woods west of Shaded Rock): Mayor Jordan convened a public hearing at 5:05 p.m. and asked if there were any comments. Development Services Manager Eric Winter said this was the first of three actions to allow Common Area 1 to be vacated and then developed along with additional property into twelve cottage single-family residences. Mr. Winter said the surrounding zoning on the north was R-1 Cottage Single-Family Residential, south was A-1 Recreational and R-1 Estate Single-Family Residential, east was A-1 Recreational and R-1 Cabin Multi-Family Residential and west was R-1 Cottage and A-1 Recreational. He added R-1 Cottage Single-Family Residential was compatible with all of the surrounding zoning classifications and an appropriate classification for this location as the same category exists across Nattie Woods and it is good policy to have like zoning classifications across the street from each other. Mr. Winter said the Zoning Ordinance amendment was recommended for approval by staff. The public hearing was adjourned at 5:10 p.m. Mayor Pro Tem Haydon made the motion to approve this item as presented, seconded by Councilmember Pope. Motion passed unanimously (5-0).

22. Discuss, Consider and Take Action Regarding the Vacating Plat of Common Area 1 of Amending Plat of Summit Rock Pod 14.1 (Nattie Woods west of Shaded Rock): Development Services Manager Eric Winter reported this was the vacating plat to vacate just the Common Area 1 of the original plat. Vacating this plat would set it up so the preliminary and final plat could be approved. Councilmember Pope made the motion to approve this item as presented, seconded by Mayor Pro Tem Haydon. Motion passed unanimously (5-0).
23. Discuss, Consider and Take Action Regarding the Preliminary Plat and Final Plat of Pod 20 in Summit Rock (Nattie Woods west of Shaded Rock): Development Services Manager Eric Winter reported this was the final required action and staff recommended approval. Councilmember Pope made the motion to approve this item on a preliminary and final basis, seconded by Mayor Pro Tem Haydon. Motion passed unanimously (5-0).
24. Discuss, Consider and Take Action Regarding the Plans for the City's 10-Year Incorporation Celebration: Mayor Jordan reported to the Council he had made arrangements to tentatively reserve Quail Point for this activity. The consensus of the Council was to hold the event on Friday, November 13, 2015 at Quail Point. The Council discussed what they would like to have in the way of videos, pictures, etc. on hand to view. He asked for volunteers to help with planning and executing this event and asked them to contact City Secretary Teresa Moore.

The meeting adjourned for a recess at 5:18 p.m.

Executive Session: At 5:25 p.m., Mayor Jordan announced that the Council would go into Executive Session pursuant to Sections 551.073(2) and 551.071 of the Texas Open Meetings Act regarding agenda item 21.

25. Discuss, Consider and Take Action Regarding Reuse of Effluent from City's Wastewater Plant

Regular Meeting Resumed: At 5:45 p.m., the Executive Session having ended, Mayor Jordan resumed the regular meeting and announced that no action or votes had been taken in the Executive Session.


25. Discuss, Consider and Take Action Regarding Reuse of Effluent from City's Wastewater Plant: Mayor Pro Tem Haydon made the motion to authorize the Mayor to execute the Second Amended and Restated Golf Course Irrigation Agreement subject to staff's preparing the exhibits and subject to staff's recommended revisions, seconded by Councilmember Pope. Motion passed unanimously (5-0).
26. Adjournment: Mayor Pro Tem Haydon made the motion to adjourn at 5:49 p.m., seconded by Councilmember Pope. Motion passed unanimously (5-0).

APPROVED this 15th day of September 2015.

CITY OF HORSESHOE BAY, TEXAS


Stephen T. Jordan, Mayor

ATTEST:


Teresa L. Moore, TRMC
City Secretary